

VZCZCXRO3906
PP RUEHQU
DE RUEHPU #1618 2421734
ZNR UUUUU ZZH
P 301734Z AUG 06
FM AMEMBASSY PORT AU PRINCE
TO RUEHC/SECSTATE WASHDC PRIORITY 3926
INFO RUEHZH/HAITI COLLECTIVE PRIORITY
RUEHBR/AMEMBASSY BRASILIA PRIORITY 1204
RUEHSA/AMEMBASSY PRETORIA PRIORITY 1046
RUEHQU/AMCONSUL QUEBEC PRIORITY 0567
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS PORT AU PRINCE 001618

SIPDIS

SIPDIS

STATE FOR WHA/CAR
WHA/EPSC FOR FAITH CORNEILLE, ED MARTINEZ
EB/IFD
STATE PASS TO USAID FOR LAC/CAR
TREASURY FOR JEFFERY LEVINE
COMMERCE FOR SCOTT SMITH

E.O. 12958: N/A

TAGS: [ENRG](#) [EPET](#) [ECON](#) [EAID](#) [HA](#)

SUBJECT: PARLIAMENT RATIFIED PETROCARIBE AGREEMENT 08/29

REF: A. PAP 856

[1](#)B. PAP 1377

[1](#)C. PAP 1598

[1](#)1. Parliament ratified the PetroCaribe agreement during a session of the national assembly, which included 19 of 27 senators and 47 of 88 deputies. 53 voted in favor and 13 abstained; no parliamentarians voted against ratification. The agreement, signed by President Rene Preval and Venezuelan Vice President Jose Vicente Rangel on Preval's inauguration day (ref A), was read out loud followed by commentary on the document. Several parliamentarians spoke in favor of ratification citing resultant increases in government revenues. (The GOH plans to resell gasoline provided under the agreement to local suppliers at market prices and keep the difference.) Notably, all appeared to understand that PetroCaribe would not lower the price of petroleum in Haiti, currently at around US \$5 per gallon at the pump. The local news today reports the passage of the PetroCaribe agreement, stating only the facts of the vote, with little commentary or media fanfare.

[1](#)2. Comment: Despite this obvious step forward for PetroCaribe agreement, Haiti still has many kinks to work out before the program is fully implemented. As the Ambassador has stressed to Haitian officials, transportation and insurance costs, as well as storage and distribution of the petroleum are only several of many obstacles. The GOH finally sold, in mid-August, the first and only petroleum shipment, which arrived May 13 (ref B), and there is no news of a second shipment yet. Because Haiti has a relatively low petroleum demand -- around 11,000 barrels per day -- and PetroCaribe has offered to supply up to 6000 barrels per day, the agreement could have a considerable effect on the petroleum industry in Haiti. Post will continue to send updates as appropriate.

TIGHE

=====CABLE ENDS=====